
U.S. Senate
Republican Policy
Committee

Don Nickles, Chairman
Doug Badger, Staff Director



U.S. House
Republican
Conference

John Boehner, Chairman
Barry Jackson, Executive Director

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Keeping our Promises
Balancing the Budget for Our Future, for Our Children

- **Republicans are fighting the special interests to deliver the change America demands:**
 - ▶ Balancing the federal budget;
 - ▶ Preserving, protecting, and strengthening Medicare;
 - ▶ Cutting taxes on America's families, and to spur economic growth;
 - ▶ Ending welfare as we know it.
- **We're fighting for change to give the next generation what we haven't had:**
 - ▶ Lower interest rates;
 - ▶ A higher standard of living;
 - ▶ More job opportunities;
 - ▶ A country free from ever-increasing debt.
- **Republicans stand with Americans in our commitment to balance the budget in seven years.**
 - ▶ Not since 1969 has the Federal budget been balanced.
 - ▶ Nearly 90 percent of Americans support balancing the budget.
 - ▶ We started with Congress first, cutting our spending by \$200 million (but the President vetoed it). We've cut foreign aid, eliminated duplicative and outdated programs, consolidated other functions, and returned responsibility and authority over many initiatives to the states.
- **A balanced budget, free from deficits, will benefit all Americans.**
 - ▶ No new deficits mean 6.1 million new job opportunities in the early part of the 21st century.
 - ▶ No new deficits mean per family income rising by up to \$1,000 a year.
 - ▶ No new deficits mean interest rates declining by up to 2 percent, making loans for homes, cars, education, or start-up businesses cheaper to obtain and use.
- **Republicans will preserve, protect, and strengthen Medicare.**
 - ▶ We will keep the current Medicare system, root out waste, fraud, abuse, and allow seniors to choose the health care insurance package (including the current Medicare system) that best suits their needs.
 - ▶ Over the next seven years, Medicare spending will grow at a 6.4 percent rate; we will spend \$1.6 trillion on a strengthened Medicare program.
- **Republicans will deliver significant tax relief to America's working families.**
 - ▶ Since 1950, the tax burden on Americans has risen dramatically. Today, American families pay over 40 percent of their income in taxes.
 - ▶ Washington has lost track of a simple fact: taxes don't belong to the government, they belong to the people.
 - ▶ We will fight to let Americans keep more of what they earn at home, where they can make

decisions based on what's good for their pocketbook, not what's good for some Washington bureaucrat.

- **Bill Clinton has no plan to balance the budget. Not in seven, nine or ten years.**

- ▶ He claims his second budget, unveiled in June, leads to balance by 2004. According to the Congressional Budget Office, it not only loads on over \$1.5 trillion in debt over the next seven years, it never balances. By FY 2002, the deficit is \$200 billion — and it balloons following that.
- ▶ CBO found that \$475 billion of his so-called "deficit reduction" comes from changes in economic assumptions and lower Medicare and Medicaid spending.
- ▶ The President also sports \$400 billion less in entitlement savings than the Republican plan.
- ▶ The Republican plan, which gets the government to balance in seven years, contains careful reductions in the rate of growth of Federal spending.

- **Bill Clinton has no plan to preserve, protect, or strengthen Medicare.**

- ▶ So far, the President has submitted just half a page to Congress with rhetoric about what should be done to save the Medicare program.
- ▶ Medicare trustees, three of whom are Clinton administration appointees, reported in April that the system will go bankrupt by 2002. They warned that, without changes, the only solution to bankruptcy would be sharply higher payroll taxes.
- ▶ The President has been repeatedly invited to detail what he would change in Medicare to fix it, and work with Republicans to strengthen the program. He has repeatedly declined.
- ▶ Now, late in the process, Democrats have come forward with a paper plan that only saves Medicare until the next election. We will save Medicare into the next century, with savings from Medicare going to a Medicare lockbox.

- **Bill Clinton raised taxes on all Americans.**

- ▶ In 1993, Bill Clinton abandoned his campaign promise to deliver tax relief to the middle class. Instead, he signed into law a \$251 billion tax hike, that raised gas taxes on all drivers by 4.3 cents a gallon; socked it to everyone who buys an airline ticket, with an airport fee; stuck it to small businessmen, with new effective tax rates of over 40 percent; went after seniors, with a tax rate of 85 percent on some of their social security benefits; and even taxed the dead, with major retroactive tax hikes.
- ▶ Now, President Clinton promises a small tax cut, while accusing Republicans of wanting to raise taxes!
- ▶ Republicans want to give back in tax cuts some of what Bill Clinton took with his huge tax hike.

- **This is our last, best chance to save America from a fiscal crackup she soon won't be able to handle.**

- ▶ Before the year is out, America's debt will top the \$5 trillion mark. According to the trustees of the Medicare system, the program will enter insolvency for its program next year, and will be bankrupt by 2002.
- ▶ According to analysis, the Social Security system, while sound now, will begin to enter an actuarial crisis in 2013.
- ▶ According to the bipartisan Entitlement Commission, by 2015 spending on just four entitlement programs and the national debt will crowd out all other Federal spending. No spending for defense, for law enforcement, for food safety, for highways.
- ▶ A child born today already owes \$187,000 interest on the federal debt — more than \$3,500 in taxes every year of his working life, or a lifetime tax rate of 84 percent. We must call a halt to this!
- ▶ Getting the budget to balance will allow us to confront the fiscal and national security challenges of the early 21st century free from the threat of debt and the dangers of deficit.